

**Washington State Medicaid and SCHIP Reform Waiver
Bellingham Town Meeting
May 30, 2002**

Approximately 35 people attended the town hall meeting in Bellingham, and most of those who spoke opposed the waiver -- a few very bitterly and a few in tears. As before, Assistant Secretary Doug Porter introduced the session by presenting an overview of the state's budget crunch and revenue forecasts, while Roger Gantz, Director of the Division of Policy and Analysis, discussed the details of the amended waiver outline.

Several points drew comment throughout the evening. Among them:

How high should premiums be set? Most of those who addressed this issue opposed any level of premiums. Several of the speakers also said they felt the idea of setting premiums at 5 percent of a family's income would be way too high. Porter said the 5 percent figure mentioned was intended to reflect the upper limit of what the state could request from the federal government, but that actual proposals under review range in the area of \$7 to \$10 -- well below 5 percent of incomes between 100 and 250 percent of the Federal Poverty Level. Porter also said it was logical to assume that premiums should not apply to people involved in spenddown, since you could make the argument they have already participated in cost-sharing.

Revenue enhancements: A number of the Bellingham residents who attended said the state should not dismiss the idea of revenue enhancements, including tax increases, without further study by the Governor and in the Legislature. Several people said the state should pursue potential endowments by some of the state's wealthiest residents. One man joked that the Medicaid staff should suit up as a baseball or football team and offer itself for sale.

CAP waiver: Several parents of disabled children complained that they were having difficulty getting funding through the CAP waiver or felt threatened with loss of funds approved in the past under that waiver. Porter and Gantz noted that the Medicaid and SCHIP Reform waiver will have no effect on institutional or long-term care services like these -- although other cutbacks in social services are occurring in DSHS and in other state agencies. One parent also suggested that if the state wins the ability to keep its leftover SCHIP funding, it should spend those federal funds on disabled children, not to open up more slots in Basic Health.

Thanks for coming: An unusually high number of the Bellingham speakers preceded or closed their comments by saying they appreciated the chance to tell program representatives how they felt about the waiver even though, as one speaker noted, that point was the **ONLY** positive thing she could think to say about the waiver. Porter thanked the audience in turn. "I appreciate you coming down to talk about some very painful issues," he said.

Written testimony: DSHS Demonstration Waiver Proposal is a Continuing Threat to Medicaid

Other comments:

"You can't make (premiums) palatable, because they're not necessary... Your presentation does not present any information on any specific groups that it targets, or the services it would change. Why were optional groups included in Medicaid the first place? Because they were underserved. What

has changed to make those health care needs to go away?Children – what has changed about the medical needs of those children? ...Cut medical benefits to a child under 100 percent of poverty, and all you do is provide a powerful incentive for somebody with a very sick child to quit their job and go onto welfare...”

“I’m skeptical of MAA’s intentions here, and I’m skeptical because of the previous waiver that would have given MAA carte blanche to do whatever it wanted....Once again, MAA has failed to provide any analysis of the effect of this waiver on vulnerable children and adults with medically necessary health care needs.”

“I don’t accept this – I am shocked to see this proposal coming out of this administration. I would be embarrassed to put this forward.”

“Co-pays do change behavior. I’m familiar with the Rand Corporation study several years ago, and they found that co-pays do suppress unnecessary utilization until they get to a certain level, and then, of course, they also suppressed necessary medication use.....I would personally support the idea of a co-pay.”

“\$5 is fair – maybe \$10 is fair for the non-emergency use of emergency rooms....It’s so much more expensive to pay the ER doctors than to pay the doctors at a clinic...On the other hand, you don’t want a \$50 co-pay, because you don’t want to discourage people from going to an ER for necessary care, like a broken bone...”

“It seems to me that we have just abandoned the responsibility for a broader commitment to those who can’t fend for themselves, and we’re rushing off to find out how to save money because of this budget shortfall...”

“On Page 3 of the flyer you handed out it lists the consequences of not receiving waiver approval, and it says: ‘When projected program costs exceed revenue forecasts, the state will have few options,’ and the first one listed is ‘Increase Medicaid program funding with new funding sources.’ So my question is: How much time and effort has this administration and those who work in this administration put into figuring out just that, how can revenues be increased to support these worthwhile programs?”

“What about looking at and asking people like me to pay more taxes...Why does everybody want to avoid that?”

“I’m here as a parent of a disabled child. I’m not really sure what optional vs. mandatory coverages are, but I can only assume that my child is in the optional category....this spenddown, what you force people to do is to quit their jobs... I will do whatever I have to do is make sure my daughter is covered...We live on one income...I don’t frankly understand why my daughter wouldn’t just automatically be covered 100 percent, and my understanding is that she would be in California...You’re going to ask for permission to keep more money so you can cover more people, but you have to start with the people who already are not completely covered....I don’t understand...If there’s so much money, why don’t you spend it on people with real needs, especially disabled children.”

“I would certainly appreciate seeing this framework expanded. I think we let the governor and the Legislature off the hook by pursuing options like this without saying no. This may be the opportunity for someone in social services to go back to Olympia and say these aren’t viable

solutions. We've talked to the community, and they won't stand for it.... I don't think this works when you get down to the personal level and look at it family by family.... When you say "increase flexibility".... those are just catchwords that basically mean you get the ability to cut people with real needs."

"The drug formularies – I'm sure there are options where there are generic equivalents, but I have an older brother with long-term schizophrenia... well, he lost his Medicaid, went into a spenddown, the community mental health clinic began picking up the cost of his medication.... He's now on a horse's dose of thiorazine.... Is there any incentive for that mental health system to pay for a less toxic, more effective medication? No, there isn't. They pay for it... and they feel he's lucky to get it.... This kind of thing also forces the providers within community health services to make ugly choices.... So, carry the message back: We need to increase revenue to make this work."

"Is it really politically viable to just balance the budget on the backs of those who are most vulnerable?"

"I work for DSHS, and at one time we did have a drug co-pay -- one dollar -- and it was difficult to collect, and everyone hated it. ... So why go through all of that hassle.... If you're going to do this, do it with a premium...."

"If people understand how low that is, the aged blind and disabled have to account for every dollar over \$590 a month... That is a shame, that in this country we make our elderly and our disabled people live in total poverty.... I just think there are other ways of doing it.... On premiums, I think there's the opportunity right now with the premium starting for the transitional medical (this summer)... I really think we need to look at that and see how it works out."

"I do billing for sponsorship programs in Basic Health, which limits its billing to three family members per family.... Supposedly, you need to pay for three children -- for the other children, they're no charge... But Basic Health is just billing three no matter what. If both parents have it, only one child is being billed... There could be a lot of money in this."

"If you're going to have to do this, then premiums would be the easiest way for the community at large... co-pays for this and co-pay for that.... If you're going to get into co-payments that providers would collect or that pharmacists would collect, you'd have to do a lot of preparation and training into that."

"I have the same concern as the parent trying to get onto the CAP waiver... We're being told we're being taken off that waiver... to save the state money.... Someone mentioned the SCHIP program, but we can't get on the SCHIP program because we have insurance.... My husband is not taking promotions.... We've moved in with my mother... So I'd like to know, what about us?"

"I really tried hard to find something positive to say about the waiver... so let me say, thank you for coming to Bellingham.... We do appreciate the chance for input... I appreciate that, and I'm sorry that I don't have any other positive things to say.... It seems like your primary issue was to balance the budget... I don't diminish the importance of budgets, but I think it's critical that we balance the budget without abandoning health care objectives.... Listening to your presentation, I have to say it felt more like a marketing pitch. I think there are really negative consequences, and I would have appreciated hearing about them... We know this is bad for people."

“I have some concerns about the co-pays...They pose difficulty for providers, because people don’t have to pay them. ...And finally I’m really concerned about the freeze approach. I’m concerned because the fiscal triggers don’t say anything about what the consequences would be...the Legislature would have to respond months later...I really do feel that this is a huge issue for residents of Washington state, and I think it deserves that kind of public policy debate....My personal preference would be that you go back to the drawing board on this whole waiver...It’s not good enough. It’s not a good enough answer.”

“I do not mean this to be facetious or uncaring....I have a fear that we have become by the well, of the well, and for the well....How many state employees would agree to go to 200 percent of poverty and take the same health benefits as those we serve? I just wonder how many would say, Oh my goodness, we need to do a little bit better than this?”

“When you talked about the difference between drug costs and the amount spent on in-patient hospitalization....have you factored in the closing of state hospital beds that saved patient costs at the state level but transferred those costs to communities?... I don’t know if that’s factored in...Our population is growing...I think it’s going to increase the community cost... considering the condition of the mental health system in the state of Washington... When you do these things to these other programs, we’re still responsible by contract to serve all Medicaid eligible... We have to serve them, and ...so it’s somewhat a matter of cost shifting, not cutting....Our funding rates are based on that.”

“I appreciate your coming...but what I also hope for...is that you actually go back to Olympia and actually share the fact that we have a problem....I also believe that it’s time for our representatives to stand up.”

“This attempt to get a waiver is nothing more than putting a BandAid on a patient that’s already hemorrhaged to death. The reality is that the only way we’re going to survive as a nation is to figure out how to contain health-care costs.....We need to allow the Basic Health plan to enroll people who are in Taft-Hartley programs....We have to figure out some kind of single-payer plan that covers everybody in the state or there’s no hope. We’ve seen costs increase every year...pretty soon, anybody in the country who’s got medical coverage of any kind is not going to be covered by their employer because it’s going to be too expensive....”

“We’ve got to stop lying to people about how we’re going to do this...Tell them what the costs are going to be and that it’s going to be part of the cost of living in this country, and I think we can live with that.”

“If we put any more burden on the pharmacy to collect co-pays, and I don’t think the premium sounds much better. ..With regard to interpreter services, we have a lot of patients we serve who don’t speak English. Let me say, I hope we can keep that....”

“I look at at some of the other things that are being spent in the state. I mean when the Governor first announced the things we were going to cut and then the next week we were going to spend \$800 million to build a bridge...I mean, is the only solution to make cuts in Medicaid? Can you go back and say, we shouldn’t cut Medicaid any more?”

“You spend 33 percent of the budget on Medicaid, and I don’t have a problem with that, because we should be spending this money on people who need it.”

“I teach special education and I see the faces every day...so some of these optional services that would be cut....those scare the living daylights out of me.”

“I am from the CSD (Community Services Division of DSHS) and I want to go on record as saying that every administration is cutting services at this time, and our clients in CSD are looking at sometimes half the amount of our contract dollars for special needs services, and child care, and the CAP waiver....I just want to ask that as divisions and administrations look at where they’re going to make cuts, that you in Olympia talk to each other....I can tell you that with the decrease in FTEs that we are seeing, we’re looking at a really tough year.”

“I’m very confused by the difference between acute Medicaid care and long-term Medicaid care.... Why are there two Medicaid programs in Washington state?”

“I’ve got a hunch you haven’t heard much here you haven’t heard before, and I’m grateful that you are here. But I think you’re out there walking the plank because of the cowardly Legislature and the pharmaceutical industry...The congressional delegation didn’t take much time to weigh in against you ...and on the revenue side...you go through these gyrations, what to cut, etc. The other thing to look at is revenue enhancement....California has significant endowment contributions through a state health commission....The National Governors Conference has asked Congress and the president to pump more money into this area....We’ve also got two of the wealthiest foundations in the country right here in Washington state. Is anybody talking to Bill Gates and Paul Allen?”

“I got an e-mail telling me to be here, so I’m here, and I learned a lot. Now here are the questions I’m told that we should be asking, so put these in the record. Why is Washington backing away from its commitment to health care now that this commitment is more important than ever? Get that in the record. Shouldn’t our efforts be directed to identifying revenue sources to support continued coverage for essential services to low-income individuals? Put it in the record. Shouldn’t Washington focus on becoming a smarter purchaser of prescription drugs rather than reversing the gains that we’ve achieved in improving health care access? Get that in ... What this waiver is I haven’t figured that out yet, but then finally it says: Tell DSHS: DON’T WAIVER ON HEALTH CARE! So I’m telling you that, and get that in.”

“What premiums should they pay? There are studies out there and you may have access to them or you may have your own. But at least some organizations have definitely found that certain levels of co-pay radically affect the amount of participation people will have.”

“I appreciate that you’re here. It’s really important that when decisions are made that the people who are affected have a chance to speak out....The more you empower people, the more important it is for a decision maker to come in...”

“My first point is, I agree with that: You have to take the heat...But my second point is – how many of you guys play football or baseball? Maybe we need a Medicaid sports team that could be sold to Paul Allen?”

“I am still trying to figure out how this works. There are a lot of people here who are very unhappy with this program... Have you got any actual viable or constructive suggestions about how to restructure this?”

“When we were talking about the non-emergency co-pay, who determines the emergency? And in rural areas...we have many clients who cannot get to a provider any other way...They can’t get

in...These kids have very serious conditions and are very needy, but it turns out nobody will accept medical coupons...When families are in crisis, it's an emergency..."

"I want to mention the closing of the MEDS unit...I understand the more technical things are going to be worked out...but I'm seeing the error rate in medical is going sky high.... it doesn't take much for a financial worker to do their job if you give them the time and the tools they need...But you do need that."

"A lot of people come into the clinics and they're telling the providers what drugs they want...They see it on TV and they're seeing it again and again and again...maybe the attorney's general's office needs to file a lawsuit ...In California, the state went after the pharmaceutical industry and said you cannot do that here, and they won,"

"I'm looking at your timeline and see that you want to have this to the federal government by July 1, and you're going to take our comments and use them after you've already drafted what you want.....Again, my real question is, how specific are you going to be when you return it to the federal government? How specific are we talking?"

"I want to object to the lack of access to dental care under the existing service....Number Two, a number of undocumented children have been denied access to Medicaid and think that's wrong."

"The dental situation is urgent...The need and the passion of the patients coming through the door is much greater than medical...They are in dire need and the access is not there...In this county, of children 19 and under only about a third of them have seen a dentist....You can't find dentists. They don't care.... "

"I can verify that. We are currently sending people from Whatcom County to Concrete, which is in Skagit County, 50 miles away, to find a dentist who will accept them."